From: Scott Lewis

To: Microsoft ATR

Date: 1/26/02 10:49pm

Subject: Microsoft Settlement

I strongly disagree with the proposed settlement.

The proposed settlement seems to do little to repair past damages or to prevent on-going damage to open and free competition in the computer software industry.

- 1. MS has eliminated virtually all competition in Operating Systems.
- 2. Many applications providers have been eliminated.

I feel this is due to three primary factors.

- 1. The size and early popularity of Windows OS.
- 2. The HIGHLY anti-competitive nature of previous preloading agreements.
- 3. The relationship of the operating system software and the applications software divisions of MS.

So long as the MS operating system division and the applications software division are under one company, the MS OS division will always (continue) to block the efforts of independent application software companies to compete against the MS application software division.

Currently the most competitive non-linix based competitor to MS Windows is IBM's OS/2 and the related eCS packaging of OS/2. Even this OS system is made uncompetitive due to MS's license requirements and royalties for software code included in the OS abandoned by MS years ago.

What needs to be done.....

- 1. Cut all royalties to MS that would make other products non-competitive. Perhaps cut the royalties period, since they were put in place during the period when MS was practicing it's anti-competitive policies.
  - 2. Split the MS OS division from the MS Applications division.
- 3. Prohibit the inclusion of most application software with the operation system.

- 4. Put in place some form of incentive to utilize a non-MS operating system such as IBM OS/2, eCS Comm Station or a Linix based OS for pre-loaded computers sold.
- 5. Force the MS OS division to release ALL information regarding the use of all of the OS API's. There must be EQUAL access for all vendors including the MS Application division, Independent Software providers and other operating system providers.

Since the damage has already been done to the competition in the PC software business and critical mass has already been lost for alternatives to the non-MS software solutions, the remedies to the damage must be more than just to make the playing field level. There must be some form of support to the non-MS business community to bring the competition back to the table. The current remedy does not make for equal and open competition much less any form of punitive punishment for MS past anti-competitive practices.

--Scott

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